

Thousands more jobs to go across all sectors in UK

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Tens of thousands of jobs will be shed in the UK in the next months in most sectors of the economy. Particularly hard hit will be energy, banking, engineering and local government.

Despite 65,000 jobs losses in the UK oil industry in the last 20 months, thousands more are to go as global commodity prices fall. The price of Brent crude oil fell to \$43 last month, nearly half the average price it was a year ago. Goldman Sachs warn it could fall to as little as \$20 a barrel.

A recent report by the trade association for the oil and gas industry, Oil and Gas UK, revealed a reduction in the total workforce since the beginning of 2014 from 444,000 to 375,000 and called for more tax breaks and government incentives.

London-based Royal Dutch Shell plans to cut 6,500 jobs, blaming a slowdown in global demand including from China, and competition from the production of shale oil in the US.

British Gas owner Centrica announced 6,000 redundancies, half of which will go by 2017. Despite registering a doubling of profits in its residential power supply business, this was offset by a collapse of 78 percent in its gas and oil division due to falling oil prices.

According to Oil and Gas UK, overall capital investment may drop by as much as £12 billion over the next three years. The aim is to reduce the cost of production per barrel from £17.80 a barrel to £15 by the end of 2016, which can only come at the expense of the pay and conditions of the remaining workforce.

While exploration of new fields is at its lowest level since the beginning of the 1970s, output is set to rise for the first time since that period as the industry is determined to hold onto its global market share.

The solar energy sector faces up to 20,000 job losses,

as the Conservative government proposes to slash the feed-in tariff scheme next year by 87 percent as part of its austerity drive. Reneging on its feeble commitment to reduce greenhouse gases, the government will all but eliminate the subsidy it pays people for creating their own “green” electricity.

In banking, HSBC is to shed 8,000 jobs in the UK as part of the conglomerate’s drive to shed 25,000 jobs worldwide. With a possible move of headquarters from London to Hong Kong, Chief Executive Stuart Gulliver remarked, “Asia is expected to show high growth and become the centre of global trade over the next decade.”

Barclays Bank is set to lose thousands of more jobs on top of the 19,000 announced last May as cashiers are replaced with automated services.

Local authorities in the UK, which provide essential services as diverse as housing, social services, youth and leisure services, care for the aged and refuse collection, face more devastating cuts on top of having their budgets already slashed to pay for the banking crisis in 2008. According to the Local Government Association, £10 billion was cut in the three years up to this year. Local authorities face another 40 percent reduction in central government funding over the five-year life of the parliament.

Greater Manchester, which comprises 10 local councils, including Manchester City Council, and covers over 2.5 million people, is facing a government cut of £215 million. This year the councils had to save £285 million on top of £1.2 billion in cuts since 2010.

Last March Greater Manchester Combined Authorities signed a deal to take control of a devolved National Health Service budget of £6 billion. With enthusiastic support from the local Labour party leadership, this was rolled out as part of the creation of

a “northern economic powerhouse”.

Jobs and services, which have already been cut to the bone, are to be decimated. Stockton Council in Teesside, England warned this month that a further 400 jobs could go over the next three years, as a result of £17 million in savings it has to make. Some 700 jobs have already gone over the past five years, saving an estimated £34 million.

The following further job cuts are to take place in retail and manufacturing, among others:

- Eleven branches of Morrisons are to shut with a possible 900 redundancies. Morrisons, the fourth largest supermarket chain in the UK, has seen sales drop 2.7 percent, losing customers to the cheaper stores, Aldi and Lidl.

- Up to 700 jobs at Shop Direct are to go at its Aintree and Bolton sites, as the company moves away from catalogue-based shopping via call centres to wholly online retail.

- Engineering firm Rolls Royce is to shed 2,600 jobs in the UK, amidst rumours about relocating abroad. The firm is closing its turbine site at Ansty near Coventry, with the loss of 140 jobs. The defence facility at Ansty, which repairs engines for military aircraft, will also close this year with 250 additional job losses.

- Aerospace manufacturer Airbus, owned by EADS, plans to cut 1,600 jobs in Bristol and North Wales as part of cuts of 100,000 throughout Europe over the next four years.

- Thirty-five jobs are to go at the Northern Ireland operations of US-based engineering firm Caterpillar. The losses are due to a restructuring of its electric power division. The company employs some 2,000 people at its County Antrim plants at Larne, west Belfast and Monkstown.

- One hundred eighty jobs are at risk at pump manufacturer Flowserve at its Balderston site near Newark, in the East Midlands, England. The firm’s whole manufacturing arm is being transferred to Spain.

- Sixty jobs could go at the Hunterston coal handling port on the Firth of Clyde, Scotland. The port supplies coal to Manchester and Belfast, as well as Drax power station in Yorkshire and Longannet in Fife.

- Indian owned Tata Steel plans to cut 250 jobs in Llanwern, South Wales, while 720 full-time staff face redundancy in Rotherham, South Yorkshire. The

company blames a strong pound, stiff competition from China and high energy costs.

- Forty-five jobs (one-tenth of the workforce) are at risk at the Scunthorpe factory of International Automotive Components. The German owned firm is a global supplier of injection moulded interior car parts, listing Rolls Royce, Jaguar and Land Rover among its customers.

- Two hundred firefighters in Hampshire are facing redundancy as Hampshire Fire Service is hit by cuts of £5 million over the next four years.

- The *Belfast Telegraph* is to cut 89 jobs and sell off the historic building it has occupied for 130 years. The Dublin-based owners News and Media Ltd blame a decline in sales volume.

- The Arts Council of Northern Ireland faces another cut of 8 percent on top of a cut of 11 percent in March of £1.58 million. Affected are the Lyric Theatre, the MAC Playhouse Theatre in Londonderry, the Grand Opera House, Northern Ireland Opera and the Ulster Orchestra. The cuts not only portend redundancies but access to the arts will be further restricted.

For young people it is increasingly hard to find suitable employment. According to the Higher Education Statistics Agency, 16,730 graduates were out of work six months after leaving university, while a third of working graduates took jobs as cleaners, office juniors or road sweepers. The Office for National Statistics reports that 744,000 people were working on zero-hours contracts (no contracted hours), up from 624,000 in the same period last year. Thirty-four percent of this number were 16- to 24-year-olds, including working students.



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